

INSTRUCTIONS FOR ACCOUNT FOR TRUST

I. GENERAL

- A. Accounts must be filed with the Commissioner of Accounts. Ask the Commissioner of Accounts how many copies are required to be filed.
- B. Accounts must be signed by each of the Trustees.
- C. Unless the trustee qualified prior to July 1, 1993 or unless one trustee is a corporation under Va. Code § 6.1-5, then the following rules apply:
 - 1. The first account must cover the period beginning with the date the trustee qualified and ending on December 31 of the same year.
 - 2. Second and subsequent accounts must cover the calendar year.
 - 3. All trust accounts are due by May 1 of the following year, and no less frequently than annually thereafter.
- D. Appropriate documentation to prove the account (as set forth below) must accompany the account.

II. BEGINNING ASSETS

- A. If this is a First Account, use zero.
- B. Use total Assets on Hand from prior account if this is a second or subsequent account.

III. RECEIPTS

- A. **PRINCIPAL RECEIPTS**
 - 1. Itemize in chronological order all principal receipts received during the account period. Generally, principal receipts are capital gains and principal distributions from the estate. You may group principal receipts by payor.
- B. **INCOME RECEIPTS**
 - 1. Itemize in chronological order all income receipts during the account period. Generally income is interest, dividends, rental income, refunds and income distributions from the estate. You may list all receipts from each payor in the same place, so long as each receipt is separately stated.
 - 2. Show each item of income separately. For example, show each quarterly dividend from XYZ Stock rather than showing a lump sum for the year.

IV. GAINS ON ASSET SALES

- A. Show total sales proceeds less carrying value of asset sold.
- B. Provide original broker's statement or signed settlement sheet as verification.

V. ADJUSTMENTS

- A. Show any corrections to items reported on a prior account, e.g. where the value of an asset or the number of shares was incorrectly reported.

- B. Where a reimbursement is made to the Trustee or another person for expenses paid on behalf of the trust, evidence of the expenses paid must be provided. The Commissioner may also require evidence that the obligation paid was a debt or expense of the trust.

VI. PRINCIPAL AND INCOME DISBURSEMENTS FOR EXPENSES

- A. List all disbursements from principal in chronological order. You may group principal disbursements by payee.
- B. Generally principal disbursements are income taxes on capital gains.
- C. List all disbursements from income in chronological order. You may group income disbursements by payee.
- D. Trustee fees must be allocated between principal and income.
- E. A canceled check or a signed invoice or receipt must be provided in support of each disbursement.

VII. LOSSES ON ASSET SALES

- A. Show carrying value of assets sold less total sales proceeds.
- B. Provide copy of broker's statement or signed settlement sheet as verification.

VIII. PRINCIPAL AND INCOME DISTRIBUTIONS TO BENEFICIARIES

- A. All principal distributions should be listed in chronological order stating the name of the beneficiary and the amount paid.
- B. All income distributions should be listed in chronological order stating the name of the beneficiary and the amount paid.
- C. A signed receipt or canceled check from each beneficiary must be provided.

IX. ASSETS ON HAND

- A. Itemize each asset remaining on hand at its carrying value as of the ending date of this account.
- B. Where the market value of the asset is not equal to its carrying value, show the market value in parentheses within the asset description.
- C. Provide verification of the existence of each asset, i.e., bank statements (reconciled to agree with your account balance), broker's statements or original stock certificates, original notes, copies of K-1 forms.

X. MANDATORY FORMAT

- A. The use of the Account Summary form is mandatory.
- B. The itemized lists attached to the Account Summary form must comply with these Instructions and the accompanying Sample Account, or else you must make a complete accounting that complies with the provisions of Virginia Code Section 26-17.3